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C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 002002

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SUBJECT: CODEL FEINGOLD MEETS WITH PPP CO-CHAIRMAN ASIF ZARDARI

Classified by Ambassador Anne Patterson, reasons 1.4 (b) and (d)

- 11. (C) Summary: In a May 26 meeting with CODEL Feingold, Pakistan Peoples Party (PPP) Co-Chairman Asif Zardari reaffirmed his support to combat terrorism, adding that the Pakistani people have to take ownership of this "struggle of ideas." He pledged that the Government of Pakistan (GOP) will not negotiate with groups that harbor foreign fighters or conduct cross border attacks in Afghanistan. Pakistan will negotiate from a position of strength, he continued. "We will take no prisoners. If we have to fight then we will fight." Agreeing that something had to be done regarding the deposed judges, Zardari stated that the PPP will not accept reinstatement unless it is part of a broader constitutional package. Zardari blamed President Musharraf for the country's current economic woes and looks to persuade Musharraf to return power to the office of the Prime Minister. "We want to walk him back, not lynch him back," Zardari concluded. End Summary.
- 12. (C) Senator Russ Feingold and the Ambassador met with Pakistan Peoples Party (PPP) Co-Chairman Asif Zardari on May 26 at Zardari House in Islamabad. Senator Feingold began by expressing his condolences to Zardari, the PPP and the people of Pakistan for the loss of Benazir Bhutto. Zardari remarked that the PPP was the first to recognize the threat that militant extremism poses to Pakistan, reiterating support for the War on Terror as something both nations have in common. Democracy, Senator Feingold added, is the best way to combat extremism and those who oppose the rule of law. According to Zardari, President Musharraf's suppression of democracy has led the people of Pakistan to feel that they have no ownership of the battle against extremism. The people have to feel a part of this "struggle of ideas" he continued, citing PPP support for changing the name of the Northwest Frontier Province (NWFP) to Pukhtonkhwa to better reflect the province's Pathan identity.
- 13. (C) Reiterating that security remains a key U.S. concern in Pakistan, Senator Feingold asked Zardari about the status of on-going negotiations with tribal leaders. Zardari reported that negotiations were one part of a multi-prong strategy to win the support of the people in the struggle against terrorism. The Government of Pakistan (GOP) will not negotiate with groups that harbor foreign fighters or conduct cross border attacks in Afghanistan. Those groups that continue to engage in terrorist and militant operations will be "jailed or eliminated," according to Zardari. Pakistan will negotiate from a position of strength, he continued. "We will take no prisoners. If we have to fight then we will fight."
- 14. (C) In response to the Senator's question regarding concerns over the ideological orientation of Saudi Arabia-financed madrassas in Pakistan, Zardari concluded that "there is no such thing as a moderate madrassa." Adding that madrassas provide "guerrilla training from a young age," Zardari noted that the people of Pakistan

are fatigued by the spread of extremism and are looking to the new government to intervene. The GOP has begun to counter the threat from extremist madrassas but must invest more in alternative educational institutions.

- 15. (C) Turning to domestic politics, Senator Feingold observed that differences within the governing coalition regarding the restoration of the judiciary remain a concern. Zardari responded by explaining the background of the coalition, claiming that while the PPP could have formed a coalition without Nawaz Sharif's PML-N, it chose to do so in order not to "damage democracy." Zardari claimed that Nawaz Sharif privately agreed to restore all judges except former Supreme Court Chief Justice Iftikhar Chaudhry but backed away from the compromise for political reasons. Zardari expressed dismay that Chaudhry publicly claimed that only Nawaz Sharif's PML-N had been helpful in his reinstatement; it was the PPP that ended his house arrest.
- 16. (C) Agreeing that something had to be done regarding the deposed judges, Zardari stated that the PPP will not accept reinstatement unless it is part of a broader constitutional package. Objecting to the fact that judges "never get prosecuted for their crimes," Zardari took issue with the fact that he was never given the opportunity to request bail during his eight years in prison. "Judges should be judges," he continued, "not politicians."
- 17. (C) In reference to Pakistan's deteriorating economic situation, Zardari blamed President Musharraf for not preparing the country for future growth. He reported that not a single additional megawatt of power has been added to the national grid since 2000. Zardari claimed that Musharraf's greatest economic contributions to Pakistan

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are restricted to more cellphones, an increased demand for automobiles, and a few additional billionaires. There has been no real decline in poverty in Pakistan, he concluded.

- 18. (C) Zardari contends that future economic growth depends on political stability, faulting Musharraf for engaging in a costly "three front war" with Balochistan, India and Afghanistan. Claiming to have a master plan for trade with India, Zardari proposed wide-scale trade liberalization with Pakistan's eastern neighbor. He also supports investing more in the country's faltering agricultural sector, proposing to eventually trade wheat to Gulf states in exchange for oil.
- ¶9. (C) Concluding with a discussion on the future of President Musharraf, Zardari contended that while Nawaz Sharif supports the President's impeachment, Zardari's aim is to "walk him out of office." Zardari's goal is to persuade Musharraf to return power to the office of the Prime Minister. "He (Musharraf) deserves a decent existence," Zardari concluded. "We want to walk him back, not lynch him back."
- 110. (U) CODEL Feingold did not clear this cable.

**PATTERSON**